

REMARKS**A. INTRODUCTION**

Claims 1 and 81-101 are pending and rejected.

Upon entry of this Amendment:

- Claims 1 and 81-101 will be pending
- Claims 81 and 82 will be amended
- Claims 1, 81 and 82 will be the only independent claims

B. CLAIM AMENDMENTS

Claims 81 and 82 have been amended in order to correct minor and obvious typographical errors; specifically, to include “a” before the first occurrence of “first vendor.” No new matter has been added and the errors were corrected for any reason related to patentability.

C. SECTION 112 ¶ 1 REJECTION: LACK OF ENABLEMENT

Claims 1 and 81-101 stand rejected under 35 U.S.C. § 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains to make and/or use the invention. Applicants respectfully traverse the Examiner’s Section 112 ¶ 1 rejection of Claims 1 and 81-101.

Specifically, the Examiner states:

Claims 1, 81 and 82 recite the limitations of specific service and/or lack of service requirement regarding the product and upselling offers; however, the specification seems to lack literal basis for the claimed limitations.

[Office Action, page 2].

Applicants respectfully submit, as explained in our previous paper (incorporated by reference), that the Specification describes the subject matter of Claims 1 and 81-101 in such a way as to enable one skilled in the art to make and/or use the invention.

Applicants also respectfully submit that the Specification and claims describe, with reasonable clarity, several examples of purchased items as well as various types of service agreements that may be the subject of an offer (e.g., an upsell offer). Some of the examples clearly describe an item and a service agreement, for which the item does not require the service. The Office Action merely states there is no “literal basis” for the claimed limitations, which Applicants respectfully

traverse, as Applicants were clearly had possession of and described sufficiently such subject matter. Further, a “literal basis” is not required to provide sufficient enablement. The Office Action does not establish, with substantial evidence, that one of ordinary skill in the art would have to resort to undue experimentation in order to provide for the claimed subject matter. Applicants submit that it would have been within the capability of one skilled in the art, upon consideration of what is described sufficiently in the Specification, to make or use the claimed embodiments. The Office Action, which does not even purport to define the level of ordinary skill, does not establish any evidence to the contrary.

For at least these reasons, Applicants submit that the pending claims comply with all of the statutory requirements of Section 112, and request the Section 112(1) rejections for alleged lack of enablement be reconsidered and withdrawn.

D. SECTION 103(A) REJECTIONS

Claims 1 and 81-101 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Katz, and in view of Oslund “The battle is joined // State’s local long distance business lures US West’s competitor”, Star Tribune, February 12, 1996, Brian Reilly “Upselling strategies hit the net”, Net Marketing, December 1996, Chelliah (U.S. Patent No. 5,710,887) and further in view of Schwanhausser “A maze of plastic consumers try to make their way through the confusing state of credit cards”, St. Louis Post Dispatch, July 30, 1994 and Edwards “Credit card issuers see some growth”, Las Vegas Review – Journal, March 18, 1994 . Applicants respectfully traverse the Examiner’s Section 103(a) rejection.

Applicants respectfully submit that the cited combination of references, including the newly-cited Oslund reference, fails to teach or suggest all of the features of the pending claims. Further, the cited references do not teach or suggestion a motivation to provide for the particular combination(s) of subject matter recited in the pending claims. No other evidence has been made of record that would support such a motivation.

Applicants respectfully submit that the Office Action still does not appear to address the particular limitations that were the source of the Section 112(1) rejections for lack of enablement. The Office Action does not refer to the specific language. Accordingly, to the extent that the following particular limitations on the scope of the claims have not been addressed, no prima facie case of obviousness can have been established:

wherein the offer for the subsidy from the second vendor requires commitment to a service agreement but does not require the customer to commit to a service agreement for any item of the purchase from the first

vendor in order to receive the reduction in price relative to the total price of the purchase from the first vendor

None of the cited references, alone or in combination, teaches or suggests the feature cited above, generally recited in all of the independent claims (Claims 1, 81 and 82). The Examiner does not assert otherwise. For at least this reason, Applicants request withdrawal of all of the Section 103(a) rejections.

The Office Action states at page 5:

In an analogous art, Oslund teaches that it is known to use a cross-marketing approach to sell a product at discount via a subsidy from a second vendor to provide an incentive to the purchaser of the product - grocery coupon subsidized by AT&T (abstract and page 3)...

* * *

Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to modify the cited references' method, with the cross-marketing approach as taught by Oslund and Schwanhausser or Edwards.

Applicants submit that, as discussed in the Specification (page 2, lines 14-16), promotions provided among two or more vendors were known. For example, a first vendor may advertise that if a particular product is purchased, another product may be purchased from or given away by a second vendor. Oslund describes an example of this known approach to cross-promotion. Oslund similarly describes a first vendor (AT&T) advertising (at "makeshift display tables") that if a customer purchases telephone service from the first vendor (AT&T), another product (e.g., groceries) may be purchased from or given away (the value of the \$5 coupon) by a second vendor (Rainbow).

The Oslund reference, however, is devoid of a hint of any motivation to provide for a discount off a first product purchased from a first vendor (no subsidy of the service agreement is remotely suggested) in exchange for accepting an offer from a second vendor (the customer does not even have to commit to making any purchase at Rainbow). Accordingly, contrary to what is asserted in the Office Action, Oslund does not teach using a cross-marketing approach to sell a product of a first vendor at a discount based on a subsidy from a second vendor, much less in exchange for accepting an offer from a second vendor for a service agreement.

The Office Action also states that Schwanhausser and Edwards teach the features of providing a subsidy (e.g., discounts, lower rates) for a purchase (e.g., computer, car magazine) via a service agreement (credit card) with a second merchant (e.g. MasterCard, Visa).

Applicants respectfully disagree. Edwards does not teach that MasterCard and Visa are “second merchants” who provide subsidy offers. Edwards discusses examples of co-branded credit cards. A GM credit card offered credits for the purchase of a big ticket item. According to the article, “GM provides the rebates on new cars”—not MasterCard or Visa. Accordingly, the purchase of an item (i.e. a GM car) from a first vendor (i.e. GM) is subsidized by the first vendor (i.e. GM). Edwards also explains how discounts may be available using the GM card for hotels, service stations and long-distance calls. Edwards is silent as to who provides these discounts; it does not teach that MasterCard and Visa provide such discounts. The discussion of the Citicorp co-branded cards are similar, and it may be inferred, based on the discussion of the GM card and without any evidence to the contrary, that Ford and Apple Computer provide the discounts on cars and computers, respectively. BankAmerica promoted cards by lowering the interest rate for new customers on its cards; again, here the discounted rate is being provided by the same vendor (i.e. BankAmerica), not a “second merchant,” and not “MasterCard and Visa.”

The banks and companies discussed in Schwanhausser, according to the article) similarly are the entities providing the discounts on their products, or other value (e.g., air miles) not associated with a particular purchase, not some “second merchant,” and not “MasterCard and Visa” (e.g., “General Motors will kick back thousands on a new car, while Nordstrom, Sharper Image and Apple Computer will give you a break on leather shoes, vibrating chairs and personal computers.”). Regardless, as described in the articles, the credit card agreements must be in place prior to taking advantage of any discounts for any particular purchase. Accordingly, those articles teach away from the flexibility of a system that can offer a subsidy on a particular product of interest in exchange for a commitment to a service only after receiving information about the particular product.

Even if the asserted motivation(s) to combine the cited references were established by substantial evidence (which they have not been), no combination of the cited references teaches or suggests allowing for an offer, presented at the time the customer has already indicated an interest in a particular item, from a second vendor for a reduction in the total price the customer would owe to a first vendor in exchange for committing to a service agreement with the second vendor.

With respect to the rejections of Claims 88-94, the Office Action states that Katz demonstrates “thorough knowledge of the customer's background and intentions.” However, “thorough” the description in Katz, it does not teach or suggest the recited limitations. The Office Action does not establish by any evidence, and provides only the bald assertion, that “customer’s background” would have suggested to one of ordinary skill in the art, all of the specific limitations of

Claims 88-94. Nor has the required finding of the level of ordinary skill in the art been made, so any findings as to what would have been generally known, where not supported by the cited references, are without any established basis. Accordingly, Applicants respectfully submit that no prima facie case of obviousness has been established for any of Claims 88-94.

For at least these reasons, Applicants respectfully request the Examiner's reconsideration and withdrawal of the Section 103(a) rejections of Claims 1 and 81-101.

E. ADDITIONAL COMMENTS

Our silence with respect to the Examiner's other various assertions not explicitly addressed in this paper, including assertions of what the cited reference(s) teach or suggest, the Examiner's interpretation of claimed subject matter or the Specification, or the propriety of any asserted combination(s) of teachings, is not to be understood as agreement with the Examiner. As the Examiner has not established an un rebuttable prima facie case for rejecting any of the claims as pending, for at least the reasons stated in this paper, we need not address all of the Examiner's assertions at this time. Also, the absence of arguments for patentability other than those presented in this paper should not be construed as either a disclaimer of such arguments or as an indication that such arguments are not believed to be meritorious.

F. PETITION FOR EXTENSION OF TIME TO RESPOND & AUTHORIZATION TO CHARGE APPROPRIATE FEES

We understand that a three-month extension of time to respond to the Office Action is necessary.

Please grant a petition for any extension of time required to make this Response timely. Please also charge any other appropriate fees set forth in 37 C.F.R. §§ 1.16 – 1.18 for this paper and for any accompanying papers to:

| | |
|------------------|-----------|
| Charge: | \$1110.00 |
| Deposit Account: | 50-0271 |
| Order No.: | 99-007 |

Please credit any overpayment to the same account.

G. CONCLUSION

It is submitted that all of the claims are in condition for allowance. The Examiner's consideration is respectfully requested.

If the Examiner has any questions regarding this paper or the present application, the Examiner is cordially requested to contact Michael Downs at telephone number (203) 438-6408 or via electronic mail at mdownloads@finchamdowns.com.

Respectfully submitted,

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